

Message Text

CONFIDENTIAL

PAGE 01 SEOUL 05716 030312Z

ACTION EA-12

INFO OCT-01 ISO-00 XMB-02 EB-08 COME-00 TRSE-00 OMB-01

CIAE-00 INR-10 NSAE-00 SSO-00 NSCE-00 INRE-00 L-03

/037 W

-----007443 030317Z /75

O R 030249Z JUL 78

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC IMMEDIATE 2028

INFO AMEMBASSY TOKYO

C O N F I D E N T I A L SEOUL 5716

E.O. 11652: GDS

TAGS: EFIN, BENC, XMB

SUBJECT: SEOHAE THERMAL POWER PROJECT - EXIMBANK PRELIMINARY

COMMITMENT NO. 78-0-4156

REF: STATE 167111

1. PLEASE TO REPORT THAT ON JULY 1, EMBASSY OBTAINED KOREA ELECTRIC COMPANY AGREEMENT TO DELAY ACTION ON RANK ORDERING OF SEOHAE THERMAL PROJECT BIDS UNTIL EXIMBANK CAN MAKE A WINNING FINANCIAL PACKAGE OFFER ON JULY 11, 1978.

2. COMMENT: DELAY WILL GENERATE FURTHER HEAVY PRESSURE ON KECO OFFICIALS FROM NON-U.S. BIDDERS ALSO TO BE ALLOWED TO IMPROVE THEIR BIDS. WE WOULD PARTICULARLY FEAR TOSHIBA AND HITACHI WHICH WITH FAIRLY SMALL PRICE CUTS COULD UPSET KECO PREFERENCES FOR U.S. BIDDERS IF THEY LEARN OF THE PURPOSE OF THE DELAY. INASMUCH AS JAPAN EXPORT-IMPORT BANK HAS BEEN CONSISTENT IN OFFERING 7.5 TO 7.75 PERCENT TERMS, U.S. EXIM MAY WISH TO LOOK AHEAD TO THE LARGE SAMCHONPO PROJECT, WHICH IS ALSO A JAPANESE TARGET, TO BE PREPARED TO BE COMPETITIVE AS OF THE DATE FOR THE CLOSE OF BIDDING. WE BELIEVE THAT U.S. BIDDERS WILL HAVE BETTER CHANCE THAN WHEN GRANTING DELAYS OPENS THE POSSIBILITY THAT OTHERS WILL SWEETEN THEIR OFFERS AS WELL.
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THEREFORE, WE SHOULD ATTEMPT TO AVOID HAVING TO MAKE SUCH REQUESTS EXCEPT UNDER THE MOST EXTRAORDINARY CIRCUMSTANCES. DETAILED TERMS OF JAPANESE FINANCING WERE DISCUSSED BY KECO WITH BANK REPS ON MAY 23, AT WHICH TIME EXTENSION OF P.C. WAS ALSO REQUESTED. REGRETTABLY, KECO DID NOT FOLLOW ITS ORAL REQUEST WITH A WRITTEN ONE AS ADVISED BY BANK OFFICERS.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: THERMAL POWER PLANTS, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Draft Date: 03 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978SEOUL05716
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780273-0820
Format: TEL
From: SEOUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780798/aaaadenj.tel
Line Count: 63
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 79bf7c7b-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 STATE 167111
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2122821
Secure: OPEN
Status: NATIVE
Subject: SEOHAE THERMAL POWER PROJECT - EXIMBANK PRELIMINARY COMMITMENT NO. 78-0-4156
TAGS: EFIN, BENC, KS, XMB
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/79bf7c7b-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
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